



SILVERLAKE AXIS LTD.
(Registered in Singapore)
(Company Registration No. 202133173M)

RESPONSE TO QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE COMPANY'S ANNUAL GENERAL MEETING

The Board of Directors (the “**Board**”) of Silverlake Axis Ltd. (the “**Company**” or “**SAL**” and together with its subsidiaries, the “**Group**” or “**SAL Group**”) would like to thank shareholders for submitting their questions in advance of the Company’s Annual General Meeting (“**AGM**”) to be convened and held by way of electronic means on Wednesday, 27 October 2021 at 2.00 p.m.

The Company’s responses to the shareholders’ questions, which are copied verbatim in this announcement, are grouped according to topics as set out below:

- A. Business
- B. Cash and Bank Balances and Utilisation
- C. Segment Information

It is important to note that these questions and responses should be read in conjunction with the Company’s Annual Report 2021 and with contextual reference to the proceedings of the AGM including the presentation to be made and resolutions tabled at the AGM, along with the Company’s previous announcements.

Section A – Business

Question A.1

Please elaborate on the strategy to defend your existing core banking turf against the widespread disruption of technology companies offering financial services?

Response:

SAL Group has been in the core banking business for over 30 years and we have accumulated over 100 banking core sites. In the last 30 years, there has been a negligible attrition away from our core and this is testament to the scalability and resilience of the product and the level of service and engagement we provide our customers. Protecting our base is a key priority and the years have proven that our customers rely on us to maintain their systems to ensure 24/7 availability and this business has a growth rate of 3-9% per annum. We maintain close relationships with our customers and market participants so we are conversant with the products and companies occupying our industry. We also provide upgrade options and new innovations and solutions to our customers as they transform and we partner with them for the long term.

Section B – Cash and Bank Balances and Utilisation

Question B.1

Company dividend payout ratio has been decreasing for the past two years while the shareholder/equity fund has been increasing. Return of equity has been reduced significantly due to large cash holding. May we know how the coy intend to deploy the retaining profits in near future? It was mentioned that there is potential acquisition, may we know what its current status or any acquisition forthcoming in 1 or 2 years? Tks.

Response:

The current cash reserves as at 30 June 2021 are sufficient to support the Group's operating cash flow for approximately ten months. As the economic conditions still remain uncertain, the Board is of the view that it is prudent for the Group to conserve cash to ensure that there is sufficient working capital to sustain the long-term viability of the Group's business taking into consideration the capital requirements and other financial obligations.

The Group's financial condition and operating performance are being monitored closely and any decision for dividends are made after due consideration of the importance of maintaining appropriate cash to take advantage of any growth potential or business opportunities when they arise as well as the needs for returns to shareholders. The Company's dividend yield is comparable with similar industry players.

The Group would consider the acquisitions which could benefit and complement especially the expansion of Fermion Insurtech business, if any. We are in discussions with some potential acquisition or joint venture candidates currently but so far, these are still early stages and exploratory. The Company will announce and provide updates to shareholders on timely basis via announcement on SGX should there be any progress on acquisition plan in the future.

Section C – Segment Information

Question C.1

Can the management kindly share some details on the increase in inter segmental revenue from RM152,486,160 (FY2020) to RM421,166,869 (FY2021) in Note 40 of the Annual Report?

Response:

Inter-segment revenue as per Note 40 in the financial statements refers to mainly dividend income within SAL Group of Companies. The increase was due to higher dividends repatriated by foreign subsidiaries in FY2021 from their respective profits generated over the years. With the uncertain economic conditions, the foreign funds/dividends were repatriated to SAL to conserve cash should the need arises.

BY ORDER OF THE BOARD

Andrew Tan Teik Wei
Group Managing Director

22 October 2021